

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: PEOPLES NATURAL GAS COMPANY, DIVISION OF UTILICORP UNITED INC.	DOCKET NO. WRU-00-39-225
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ORDER GRANTING WAIVER

(Issued August 15, 2000)

On May 25, 2000, Peoples Natural Gas Company, Division of UtiliCorp United Inc. (Peoples) filed with the Utilities Board (Board) a request for waiver of the provisions of 199 IAC 19.10(1)"a", which requires that "unless a utility receives prior board approval to use another methodology, a utility shall use the same weather normalization methodology used in prior approved Purchased Gas Adjustment (PGA) and rate case." Peoples proposed to realign weather stations for use in the calculation of its 1999-2000 PGA filing. On June 13, 2000, the Consumer Advocate Division of the Department of Justice (Consumer Advocate), filed an "Answer, Objection, and Response" to the waiver request. On July 19, 2000, Peoples filed an amendment to its original waiver request based upon an agreement with Consumer Advocate.

Peoples' proposal, as amended, is to eliminate the Lincoln, Nebraska weather station and replace it with the Omaha weather station for use in the weather normalization calculations for its 1999-2000 annual PGA filing. Peoples proposes to

realign some of the cities on its system with different weather stations for calculating the volumes to be used in the annual PGA rates. Peoples attached a map to its pleading which shows the realignment. Additional changes proposed by Peoples are (1) the city of Readlyn, shown incorrectly on the map, will use the Waterloo weather station, (2) the cities of Wahpeton and Everly, not shown on the map, are to use the Spencer weather station, and (3) the cities of Cedar Falls, Eagle Center and Jesup, not shown on the map, are to use the Waterloo weather station.

Peoples states that it will continue to use the Local National Oceanic and Atmospheric Administration (NOAA) weather station published data to compute weather adjustment for all stations. For Mason City, Cedar Rapids and Spencer, Peoples will use NOAA's "climatological data," and for Des Moines, Dubuque, Sioux City and Waterloo weather stations, Peoples will continue to use the "local climatological data."

The Board finds that the realignment of cities on the Peoples' natural gas system for computing the weather normalized sales of gas for calculation of the 1999-2000 PGA filing is reasonable. A review of the maps shows that the realignment appears to reflect a reasonable determination of the appropriate areas to be included in each weather stations data. Consumer Advocate has agreed to the use of the realignment for this purpose, but reserves the right to use its own data in other proceedings. Based upon its review and Consumer Advocate's concurrence, the Board will grant the waiver request. This waiver will not preclude Board staff or

any other party from proposing other weather normalization methodologies in other cases.

IT IS THEREFORE ORDERED:

The "Request For Waiver" filed by Peoples Natural Gas Company, Division of UtiliCorp United Inc., on May 25, 2000, as amended on July 19, 2000, is granted. Peoples may file its 1999-2000 Annual Purchase Gas Adjustment filing utilizing the weather normalization methodology as approved in this order.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr. /s/ Diane Munns
Executive Secretary

Dated at Des Moines, Iowa, this 15th day of August, 2000.